



# MILK POLICY

JULY 2026



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After recommencing pick up, suspension from supply will recur should minimum requirements not be met.

## 1 MILK SUPPLY

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### 1.1 SUPPLY OF ORGANIC FARM MILK

During the Term of this Agreement, the Supplier agrees to continually supply all of the Supplier's Organic Milk to five:am and five:am agrees to buy all of the Supplier's Organic Milk which meets or exceeds the quality standards specified pursuant to the terms of this Agreement.

#### 1.1.1 Supply of Milk conditional upon Organic Producer Certification

- The supply of Milk under this Agreement is conditional upon Supplier obtaining Organic Producer Certification before it begins to supply Organic Milk to five:am.
- At all times during the Term, Supplier must maintain its Organic Producer Certification and must comply with the Organic Standards regarding the production and supply of Organic Milk.
- If Supplier becomes aware, at any time during this Agreement, that its Organic Producer Certification has been cancelled, revoked, suspended or in any way downgraded, it must immediately inform five:am of this.

#### 1.1.2 Exclusivity

- Unless otherwise agreed by five:am in writing, the Supplier must not supply Organic Milk to any other person during the Term.

## 2 MILK QUALITY

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### 2.1 POOR QUALITY

Suppliers with consistently poor quality milk (i.e. high TPCs, high BMCCs, low fat, low protein and high temperature etc.) will be advised in writing, and collection may be suspended until five:am are satisfied that a suitable milk hygiene program has been put in place. Milk collection may cease entirely if poor milk quality persists.

Suspension: Suppliers should note that whereby a farmer who is suspended for quality issues three times in a rolling 12-month period will be permanently suspended from pick up and a new supply contract will not be offered.

### 2.2 BULK MILK CELL COUNT

The maximum allowable BMCC level on a monthly average basis is 300,000 cells per ml. If the occasional test goes over the 300,000 limit, penalties will apply, bearing in mind that the highest 10-day period average result is removed each month. Please refer to Section **Error! Reference source not found.4.6 Results** for additional information in relation to the availability of test results.

Where after two consecutive 10-day periods over 400,000 SCC, a farmer is given another 10 days to rectify before suspension occurs, Suppliers will be advised by DFMC Regional Manager (RM), and collection may be suspended until five:am is satisfied that a suitable mastitis control program has been put in place and SCC results have improved. After recommencing pick up, suspension from supply will reoccur should the SCC exceed 400,000 averaged over a 10-day period, within 90 days of recommencing. Note five:am will use reasonable endeavours to provide test results in 48 hours.

### 2.3 THERMODURIC BACTERIA

Thermoduric bacteria are organisms that may survive pasteurisation and processing and can affect the end product by causing premature spoilage. A test for thermoduric bacteria will be conducted every 10 days.

If your test results exceed 10,000 you will be contacted directly by your Regional Manager to discuss remedial steps.

### 2.4 BACTOSCAN

Bactoscan Tests will be undertaken at least once every ten-day period. The lowest test from each period will be recognized and the highest testing ten-day period will be excluded from penalty.

### 2.5 CONSISTENT POOR QUALITY

If a supplier has to the total of six 10-day periods in 12 months above 400,000 SCC they may be permanently suspended, and their contract revoked.

If a supplier is suspended for 10 days for being above 400,000 SCC (See SCC suspension policy), this 10-day period would also constitute part of the six in total.



## 2.6 MILK FAT % AND MILK PROTEIN %

five:am requires suppliers to supply milk with a Fat % no less than 3.2% and a Protein % no less than 3.0%.

Where, after two 10-day periods with low results, the supplier will receive notification from their RM. A supplier will then be asked to demonstrate what management changes they are implementing to rectify the low results. The RM may then approve up to another 3 consecutive 10-day periods before suspension occurs. Suspension is for 10 days. It is then the supplier's obligation to provide a suitable sample for testing prior to the resumption of collection. Once resupply occurs if composition falls below minimum standards for 2 consecutive 10-day periods the farm will be suspended again

## 2.7 EXTRANEOUS MATTER (SEDIMENT)

This test is done on tankers initially and individual samples are only taken when there is a problem with the tanker. Farmers will be contacted regarding problems as they arise.

## 2.8 FREEZING POINT

This test is to detect added water. Nutritional problems can cause freezing points to rise, but not generally above  $-0.5^{\circ}\text{C}$ . With payments for composition, there is no incentive to add water to milk. We still test for 'Added Water' however as it can occur and is a risk to overall milk quality at the factory. Suppliers will be notified of issues as they arise. If suppliers are found to have water in their milk, they may be subject to suspension until the issue is resolved.

## 2.9 ANIMAL FEEDSTUFFS

### 2.9.1 Suitability of Feed for Animal Use

Vendor declarations must be sought for all feedstuffs as part of each supplier's On Farm Quality Assurance Program. The Vendor Declarations should identify the supplier of the feed, give a description of the stockfeed and date of supply, and should guarantee that the feedstuffs are suitable for use for dairy cows in line with current Dairy Industry Standards including free from chemical residues and Ruminant Animal Material (RAM)

### 2.9.2 Aflatoxins

Aflatoxin is a substance produced by fungal contamination of feeds. Dairy cows consuming aflatoxin contaminated feeds can transfer some of this toxin into milk. Aflatoxin, when consumed by humans through contaminated milk from dairy cattle who consumed contaminated feed can have adverse health effects. five:am farmers must fully comply with all regulations relating to aflatoxins within both

the domestic Australian market and within individual export markets where it sells milk and milk products.

In the event that a farm result exceeds the acceptable level for aflatoxin during routine testing of milk, the supplier shall be notified by the DFMC RM and assistance provided to investigate and correct the problem. Various feedstuffs such as copra meal, peanut hay etc. have been shown to contain dangerous aflatoxin levels on occasion, and must be managed on farm to reduce the possibility of contamination.

### 2.9.3 Genetically Modified Organisms

five:am's policy is to avoid the use of genetically engineered or genetically modified (GE/GM) materials whenever possible. In the case of milk, its preference is that suppliers avoid GE/GM feed for their cows whenever possible and seek warranties (vendor declarations) at all times in regard to the GE/GM status of purchased feeds. However, it recognizes that there are times when feed of non-GE/GM status is either in extremely short supply or that the cost of non-GE/GM feed is prohibitive, given economic realities. In such times, especially in periods of drought, we accept that feed containing GE/GM may have to be used. When situations return to normal availabilities of feed, five:am expects that farmers will do all in their power to avoid the purchase of feed containing GE/GM materials.

To ensure the integrity of its products, processors check that its milk products do not contain any novel proteins. Raw milk must not be sourced from cattle that have been genetically modified via either recombinant or other direct DNA technology, including cloning and the offspring of cloned cattle, however generated.



## 2.10 MILK QUALITY THRESHOLDS

The table below summarises the penalties or actions five:am will take should the quality thresholds not be met.

Test	Metric	Penalty	Frequency
<b>BMCC</b>	Greater than 300,000	30c/kg/Ms	Tested daily
	Greater than 400,000	90c/kg/Ms	Highest ten day average will be excluded
<b>Bactoscan</b>	Under 150,000	0/c/Kg/Ms	Tested daily
	Over 150,000	30c/kg/Ms	Highest ten day average will be excluded
<b>Thermoduric</b>	Under 2000	No Penalty	Tested every ten days
	Over 2000	30c/kg/ms	All tests apply
<b>Blood &amp; Other Extraneous Matter</b>		Milk may be rejected	Olfactory test by driver
<b>Hot or sour milk</b>	Milk has to meet cooling parameters shown in graph	Milk may be rejected if above 5 degrees	Per Pick Up

## 3 ADULTERATED MILK

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### 3.1 ANTIBIOTICS AND OTHER INHIBITORY SUBSTANCES

These substances, especially antibiotics, can have extreme effects on manufacturing processes. Inhibitory substances can include: antibiotics, pesticides, herbicides, detergents (especially quaternary ammonium compounds (QACs) and nonyl-phenol ethoxylates (NPEs) blood and colostrum. Five:am policy states it does not knowingly process milk that has been shown to be positive for inhibitory substances by any valid test.

All tankers are tested on arrival at a five:am processing facility with subsequent additional testing for individual supplier's milk if there has been a positive result. There are also regular random tests on individual supplier samples throughout the month. The penalty for supplying milk not suitable for human consumption is non-payment for that collected milk volume; please refer to Section 3.2 (Supplying Milk) for full details. Three samples will need to be taken from the vat for testing prior to resumption of collection. Farms with recurring problems will be suspended from supply until steps are in place to supply quality milk that meets five:am policy requirements.

All tankers are tested by rapid testing methods on arrival at the processing facility. Should a positive result be detected on the tanker, the milk is segregated while further testing is conducted. Each supplier's vat sample is then checked for the presence of inhibitory substances and the offending supplier will be notified.

It is the offending supplier's responsibility to have the next consignment of milk tested before the next tanker collection; please refer to Section 3.2 (Supplying Milk) for additional information regarding official test kits. Positive milk tanker results are reported to the relevant State Food Authority immediately. Where a supplier has tested positive for antibiotics through routine testing procedures, five:am reserves the right to have an audit conducted of the On Farm Quality Assurance Program to assist with improving the farm management system.

Five:am factories and tanker contractors have approved test kits that can be used to determine whether a contamination from antibiotics has occurred on farm. It is the supplier's responsibility to make contact with the RM, Company to arrange for the sample to be tested. Tankers may be diverted to pick up samples off farm. Supplier must deliver them to the tanker or the testing facility. Testing will

not be performed on individual cow samples, as test kits are not calibrated to test samples other than bulk milk samples.

#### 3.1.1 Penalties Related to Antibiotics

five:am encourages its suppliers to minimise at all times the chances of contaminated milk entering the factory system. Thus, it strongly encourages suppliers to discuss with DFMC RMs any suspect milk before pick up and take advantage where necessary of the preliminary testing if advised to do so.

Accordingly, if a supplier supplies milk which tests positive for antibiotics or other inhibitory substances at the five:am factory (and has not used an antibiotic test kit that tested negative on farm) they will be penalised with non-payment for milk and incurring associated costs as per Section 3.2 (Supplying Milk).

#### 3.1.2 Prior Notification Tests (Antibiotics, Blood in Milk, Sour Milk)

Suppliers will be entitled to one (1) paid 'prior notification exemptions for each financial year commencing 1st July 2024. Please also refer to Section 5.2 Insurance Cover on the importance of having adequate farm insurance.

Prior Notification is defined as the supplier notifying a DFMC RM, and/or milk cartage contractors that they have milk unsuitable for pickup at any time prior to the milk entering the milk tanker. Please note: in order to ensure maximum collection efficiencies, suppliers are requested to notify the tanker company, RM prior to the tanker arriving.

If the supplier suspects that they have milk unsuitable for pickup because of possible antibiotic contamination and seeks time to test their milk prior to collection, five:am will use its 'best endeavours' to allow enough time for the supplier to have the milk tested by a relevant inhibitory substances screening test before determining if they will supply the milk to the tanker or elect prior notification.

If the supplier applies for prior notification at any time, the supplier is obliged to make every effort to inform relevant DFMC RM, or milk cartage contractors. The milk will not be picked up by the tanker and the supplier is expected to dump their milk according to relevant Environmental Protection Agency (EPA) guidelines.

Milk should not be picked up while milking is in progress. If for some reason milk is to be picked up while milking is still in progress, the milk tanker driver must on all occasions seek approval from the supplier or the milker at the dairy before he begins pumping the milk into the tanker. If the driver does not obtain approval to begin pumping whilst milking is still



underway and there is a problem with the milk supplied, the supplier will not be liable and will be paid for the milk supplied.

## 3.2 SUPPLYING MILK

### 3.2.1 Antibiotics and Other Inhibitory Substances

On the first three occasions during each Financial Year where either:

- a) you elect to use one of your Prior Notifications by reporting that Milk to be supplied is in breach of the Quality Standards in accordance with section 3.1; or
- b) Milk that is to be supplied is rejected by a grader or tanker driver on farm on the basis of their reasonable opinion that the Milk is contaminated, soured or otherwise unfit for human consumption, we will reject the Milk by providing written notice to you specifying the reasons for the rejection, you will promptly and safely dispose of the Milk on-farm, and we will pay for the Milk (based on an average of the Milk Solids in the previous three collections of Milk) at the Monthly Minimum Prices less a Quality Deduction equal to:
  - c) in the case of the first dump – 10% of the Monthly Minimum Prices;
  - d) (b) in the case of the second dump – 30% of the Monthly Minimum Prices; and
  - e) (c) in the case of the third dump – 30% of the Monthly Minimum Prices. On each subsequent occasion (after the third dump) during a Financial Year that section 6.4(a) or 6.4(b) applies, we will not pay for the Milk

The supplier must inform relevant DFMC RM regarding the volume of milk discarded as soon as possible.

If a supplier has not used an official test kit from the tanker company or five:am factory and supplies milk which subsequently is tested positive at the factory, or five:am does not use the milk because it is otherwise adulterated or not fit for human consumption, the supplier will not be paid for their milk and will be responsible for the cost of the milk in the tanker including:

1. The total cost of all the milk in the tanker at the current value of the milk from other farmers (if any) that is in the tanker (less the suppliers own milk that is included in the pickup).
2. Freight costs.

### 3. Disposal costs.

five:am will send an invoice to the supplier for the above-mentioned costs. five:am will begin deductions from your monthly milk cheque in the next pay period. five:am will deduct the amount owing in four (4) equal instalments.

If, however any milk supplied by a farmer is deemed by the processor suitable for human consumption, the supplier will be paid for the milk supplied. Please note that it is five:am policy that any milk suspected of being contaminated by antibiotics will not be accepted.

If antibiotic milk not fit for human consumption is supplied by more than one supplier for that tanker run, milk will not be paid for and the costs will be applied on a litre pro-rata basis across those suppliers who supplied antibiotic milk to that tanker.

### 3.2.2 Milk which is otherwise not fit for human consumption

Notwithstanding clause 5.2.1, if a supplier supplies milk which is otherwise adulterated or not fit for human consumption, the following process will apply from the 2016/2017 season:

- (a) The tanker driver who picks up the milk on behalf of Bega Dairy & Drinks must also grade that milk organoleptically (which can include one or more of taste, sight, smell, and touch);
- (b) If the tanker driver determines that the milk is not in fact satisfactory based on that organoleptic assessment, the milk will not be collected from the supplier's farm, the supplier will not be paid for that milk and the supplier will be responsible for disposing of that milk at their own cost;
- (c) If the tanker driver determines that the milk is satisfactory based on their organoleptic assessment but the milk in the tanker is subsequently rejected at the factory, the supplier will not be paid for their milk;
- (d) Should 5.2.2(c) occur, the supplier will not be paid for the cost of their own milk which has been rejected at the factory, however, they will not be liable to pay the costs of any other milk which has been contaminated in the tanker, or within a vat at the factory, or associated disposal costs;
- (e) Suppliers must use their reasonable endeavours to cooperate with tanker drivers when such an



organoleptic assessment is taking place, and also use their reasonable endeavours to accurately address any questions the tanker driver may have in relation to the quality of the milk to be collected.

five:am may set off any amount which a supplier owes five:am in relation clause 5.2.2, against any amount it owes the supplier.

## 4 MILK SUPPLY SYSTEM

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### 4.1 TEMPERATURE

Raw milk must be cooled to less than 4°C within 3.5 hours after the commencement of milking and held below 4°C.

Milk may be accepted and paid for if it is supplied at higher temperatures (above 4°C), provided it complies with Early Milk Collection Index (EMCI) or milk cooling curve (see graph below). Milk that does not comply with the milk cooling curve will not be accepted or paid for unless a farmer has received prior written approval from the DFMC RM who will evaluate the situation and suitability of the milk for pick up.

Milk must be stored in accordance with relevant Commonwealth and State legislation. Milk will not be collected from non-refrigerated vessels.

All suppliers will be provided with a five:am Milk Cooling whiteboard that must be hung adjacent to the milk vat. The whiteboard is to be filled in for temperature and time at the completion of each milking. Tanker drivers will, as part of their duties, clean the whiteboard after milk has been collected.

Farmers who persistently exceed collection temperature requirements will be monitored. Milk cooling systems must comply with the requirements your Dairy Licence. Any supplier that has regular issues with temperatures in excess of 4°C will undergo an audit of their cooling system. Suppliers that do not comply with 'Simply Perfect' requirements may have their Farm Quality Assurance accreditation revoked (after being given an opportunity to correct the problem).



## 4.2 MINIMUM VOLUMES AND PICK-UP ARRANGEMENTS

In an effort to keep the ever-increasing cost of milk cartage at reasonable levels, the Minimum Monthly Level for collection of milk is as follows:

Litres on Skip a day basis	Minimum monthly supply	litres Collection fee
1300	20,000	-\$50.00 (per pick up)

Please note: If a farmer fails to meet the Minimum Monthly Volume after one month, they will first be informed in writing to allow the farmer to rectify the issue. If, however the farmer fails to increase production above the minimum monthly volume levels as tabled above in the second month, the collection fee will be applied and continue until minimum monthly volumes are reached and maintained.

Exception may be given by DFMC RM to suppliers on a truly seasonal supply pattern either at the start or end of their seasonal calving period.

Other collection requirements include:

- Collection on a daily or skip-a-day basis except in emergencies;
- The tanker must empty the vat;
- No segregation of the milk is allowed on the basis on any compositional or quality parameter.

five:am (and subsidiary companies that collect the milk) have no obligation to collect milk more frequently than once per day.

In order to guarantee the safety of suppliers, drivers, animals and property and to facilitate the efficient collection of milk, five:am requires all farms to have acceptable dairy access.

The minimum suitable standard includes:

- An all-weather access road to provide safe access for the milk tanker.
- Truck access gates to and within the property must remain open at all times.
- Towing of trucks will not be permitted under any circumstance.
- No reversing of tankers into a farm from a public road. Clear visibility at the entrance to the farm that is free from trees or other obstructions.
- No cows are permitted to walk on tanker access tracks. This is essential for OH&S reasons but also for Biosecurity on farm.
- Drivers must be given safe, clear and well-lit access to the vat room and vats at all times.

There are times of the year when milk production may exceed the supplier's storage capacity, even on daily collection. Suppliers may also be unfortunate enough to have a refrigeration failure that is not immediately repairable. In these types of situations, the supplier may request additional pickups each day. At its absolute discretion, FIVE:AM will attempt to assist the supplier by providing an additional daily collection. Any additional collections may incur an additional fee of \$50. In any event, milk must meet temperature provisions as the additional collection is at the election of the Member and not FIVE:AM, unless FIVE:AM has agreed to assist a supplier with a refrigeration problem.

Where the supplier's volume of milk exceeds the capacity and ability of five:am milk collection arrangements, additional fees and Gate Charges will not be charged or will be reimbursed if charged incorrectly. Also, where milk is collected more frequently than required by the supplier for the cartage contractor's or five:am's convenience, no Gate Charges or additional charges will apply for the additional collections.

## 4.3 CONSISTENCY OF SUPPLY

All suppliers must supply milk on a consistent basis throughout the week either on a daily or skip-a-day basis, with the variation on a two-day basis not to exceed 20 %. For example, if the combined total of milk supplied on a Monday and Tuesday is 1000 litres, the milk available for collection on Wednesday and Thursday must be between 800 and



1200 litres. This does not apply to seasonal suppliers at the start and end of the season.

#### 4.4 SPLITTING MILK ON COMPOSITIONAL AND QUALITY DIFFERENCES

five:am will not accept milk that has been segregated on the basis of composition or quality.

#### 4.5 ROAD ACCESS

Suppliers are reminded that they must have 24-hour all weather access and safe road access for milk tankers under all weather conditions to the dairy (see transport section for further details), specifically lack of adequate road access due to weather conditions. This includes ensuring that any bridges on or leading to the farm are structurally sound and can bear the load of a milk tanker.

#### 4.6 RESULTS

All milk test results are generally available within 48 hours from collection via the following, except in exceptional circumstances:

- SMS,

Suppliers are reminded that the tanker docket system may not always be available, and it is recommended that they use one of the methods above for regular results retrieval. The SMS system is designed to notify you immediately when your results become available and is the most efficient way of getting your results. Please contact your local DFMC RM to ensure you are registered on this system.



## Animal Welfare and Compliance

### 4.7 ANIMAL HEALTH

The Australian dairy industry has in place a National Dairy Industry Animal Welfare Strategy (NDIAWS) The NDIAWS supports the Australian Animal Welfare Strategy which was developed by the Federal Government with the vision that the welfare of all animals in Australia is promoted and protected by the adoption of sound animal welfare standards and practices.

five:am & DFMC work closely with Dairy Australia and other industry bodies to ensure that our suppliers are fully aware of any welfare issues and recommended best practice on farm. Its suppliers are expected to have on farm animal health and welfare practices of the highest standard.

On the ground in their local regions RMs are actively working with farmer suppliers, State Food Authorities, local vets and DPI personnel to ensure the highest possible milk quality is delivered, and that animal welfare standards are maintained on our individual farms.

five:am's rigorous monitoring of milk quality standards ensures that we have the best possible standards on farm. DFMC RMs help farmers with daily practical advice on nutrition, agronomy and animal health issues in order to ensure that milk supply comes from healthy well cared for animals.

The safety of milk for consumers is essential. Cows must be managed in a manner that prevents the introduction of hazards to the milk and the wellbeing of livestock. If suppliers notice unusual symptoms such as dramatic shifts in production, skin lesions, sudden deaths, downer cows, etc.; they should immediately remove and isolate any suspect cows showing unusual signs or symptoms from the milking herd.

It is the farmer's responsibility to contact their veterinary officer and if necessary, report any incident of concern to DFMC RMs immediately. Pick up may be suspended while any investigation is ongoing if recommended by either a veterinary officer or the State Food Authority. Compensation for any, or all, of the milk dumped in such a situation is at the discretion of five:am.

Suppliers are reminded that they should have insurance to cover any milk lost in circumstances such as this. Milk will not be picked up from herds infected with notifiable diseases unless it is deemed safe by the State Food Authorities.

Issues that may affect our ability to pick up milk include but are not confined to:

- Pesticide and chemical poisoning;
- Botulism, anthrax;
- Foot and mouth disease.

Vaccinations for diseases such as botulism, three-day sickness, leptospirosis; etc. are recommended as best practice in order to minimise the occurrence of such diseases on farms.

In the event that a supplier does not notify or delays notifying five:am of an incident we may cease milk collection immediately and five:am reserves the right to cease collection on a permanent basis.

### 4.8 ANIMAL WELFARE

Good animal health and welfare is central to successful and sustainable dairy farming. Customers and consumers are increasingly interested in knowing that a high standard of animal welfare is maintained throughout the supply chain of products they purchase.

DFMC and five:am are committed to ensuring responsible animal welfare practices are maintained by its suppliers in accordance with the relevant laws, regulations, industry guidelines and animal welfare codes of practice.

The Australian dairy industry, through Dairy Australia, Australian Dairy Farmers (ADF) and the Australian Dairy Products Federation (ADPF) has identified the following priority areas to enhance animal welfare outcomes:

- Calf management – calves need to be managed across the supply chain to meet agreed industry codes of practices and welfare standards;
- Tail docking – the Australian dairy industry does not support tail docking. Equally, five:am does not condone tail docking. If any supplier is reported to be tail docking five:am reserves the right to suspend milk collection immediately pending an investigation, and reserves the right to cease collection on a permanent basis;
- Disbudding – disbudding of calves' horns should be practised in preference to dehorning older cattle. Disbudding is best done under the age of 8 weeks using methods approved under industry guidelines and welfare codes of practice;

- Lameness - farmers should seek to minimise lameness through adoption of practices for prevention, early detection and effective treatment on-farm. five:am recommends that all suppliers have a written lameness improvement plan. Examples, tools and assistance can be found on the Dairy Australia website; and
- Calving induction - sound farm management practices reduce any perceived requirement for calving induction. Induction drugs should only be used if necessary for animal health/welfare reasons and under the supervision of a vet, rather than a practice to regulate milk production. five:am suppliers should ensure this practice is maintained under strict industry guidelines and welfare codes of practice.

More information on animal welfare standards and practices can be obtained from Dairy Australia at [www.dairyaustralia.com.au](http://www.dairyaustralia.com.au).

#### 4.8.1 Animal Welfare Concerns

DFMC and five:am have no tolerance for animal cruelty. It is each supplier's responsibility to ensure they meet and comply with animal welfare laws, standards and practices.

five:am may suspend the collection of milk if it reasonably suspects that there may be material animal health or welfare issues with respect to the supplier's milking herd or other livestock.

## 5 GENERAL

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### 5.1 DAIRY INDUSTRY LICENCE

five:am requires that all milk sourced comes from Licensed and Food authority approved farms. Failure to hold a Dairy Licence may result in suspension until an appropriate Licence is produced.

In addition, you agree to provide five:am permission for each relevant state food authority to grant access to audit result.

### 5.2 INSURANCE COVER

All suppliers should have adequate insurance to cover any incidences of milk loss, contamination or damage to other farmer's milk in the milk tanker. It is recommended that farmers should also check their policy to cover restricted access to farm from public road or bridge failure. Should a

supplier require a letter for an insurance claim please contact your local DFMC RM.

five:am will not be responsible for payment of milk not collected due to:

- Adverse weather conditions,
- Where the farm has restricted access due to safety, or notified public health reasons, such as animal disease (botulism, FMD, Anthrax) etc.

### 5.3 USE OF QUATERNARY AMMONIUM COMPOUNDS (QACs) AND NONYLPHENOL ETHOXYLATES (NPEs)

Suppliers must not use sanitisers containing Quaternary Ammonium Compounds (QAC or QATs). Suppliers must also ensure that the use of teat sprays or teat dips are free from the surfactant Nonylphenol Ethoxylates (NPEs).

The removal of QACs and NPEs are necessary in order to meet the strict supply chain requirements of domestic and export customers.

#### 5.3.1 Quaternary Ammonium Compounds (QACs)

QACs are a group of chemicals widely used as biocides and disinfectants in the home, industry and in food manufacture. Products containing QACs are used to clean and sanitise the milking machine and/or vat on some dairy farms. Benzalkonium Chloride (BAC) is the specific type of QAC of most concern, and is present in a number of products registered for use on dairy farms. In some cases, residues have been found in dairy products.

Routine testing for the presence QACs will be conducted by the processor in the first half of the 2016/2017 season – as such there should be no presence of QACs on farm from 1 July 2016.

#### 5.3.2 Nonylphenol Ethoxylates (NPEs)

NPEs are surfactants used in many industrial chemicals, pesticides, and herbicides. However, from the Dairy industry's perspective it is their use in most iodine-based teat sprays that is of greatest concern. NPEs are used in the spray formulations to solubilise iodine. Over the past few years concerns have emerged globally about the effects of NPE in the environment and, in particular, toxicity in aquatic environments. But more importantly, residue testing in Australia has identified that teat sprays containing NPEs can cause positive residue test results.



Pre-milking teat spray and teat dip are of the most concern. As such there should be no presence of NPEs on farm. Testing will be conducted for the presence of NPEs.

### 5.3.3 Abusive Language

It is five:am policy to provide a safe workplace that provides an environment that is free from abusive, offensive or threatening behaviour, for all people associated with our business.

If five:am believes that such behaviour has occurred (this will be determined at five:am management discretion), you will be suspended from milk pick up for five days or until five:am believes the behaviour has been rectified.

### 5.3.4 Relationship with DFMC

Five:am has entered into a service agreement with DFMC to provide supplier support services. Your primary point of contact for questions or concerns is your DFMC Regional Manager (RM) Dominic Baxter.

Email: [dom.baxter@dfmc.org.au](mailto:dom.baxter@dfmc.org.au)

Mobile: 0419 711663



## 6 QUESTIONS

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Please contact Tim Paterson with queries relating to the payment or quality systems.

## 7 CONTACT LISTS

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### Five:AM Operations

Business	25 Lakewood Boulevard Carrum Downs, VIC, 3201
Postal	As above
Email	<a href="mailto:tim.paterson@barambahorganics.com.au">tim.paterson@barambahorganics.com.au</a>
Website	<a href="http://www.fiveam.com.au">www.fiveam.com.au</a>

### Five:AM Team

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## 8 APPENDIX

### Milk Quality Standards

Test	Result	Test Application
Antibiotic	Clear (<.003 ug/ml)	Per test (minimum one per month)
	Notified first time per year	Per occurrence/consignment
	Notified after this	Per occurrence/consignment
	Not notified – collected	Per consignment. There will be no payment for milk and the supplier will be invoiced for costs associated with contamination.
Blood in Milk	No Blood in Milk	Graded each consignment
Sour Milk	Clear (,0.15 acidity)	Graded each consignment
	Note: Only one (1) Prior Notification is allowed in each calendar year for these three above tests combined	
Extraneous Matter Advisory test	Tanker tested first Individual Member tested if tanker > Disc 1	Warning if Disc 3 or higher.
Extraneous Matter Penalty test (next 10 day Disc 3 or higher)	In an area where a product defect occurs – this test may be carried out immediately	
	Discs 1 & 2 (AS)	Continue testing until tanker tests Disc 2.
	Discs 3 (AS)	Repeat test next period.
	Discs 4 & 5 (AS)	Repeat test next period. Individual suppliers with a Disc 3 or higher will continue to be tested until they receive three consecutive discs ,3,
	This follows on from the Advisory Test where a Disc 3 or more occurs. Penalties follow from this test only.	

